



PSC NEWS

Missouri Public Service Commission

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UNSCHEDULED WINTER NATURAL GAS FILING APPROVED FOR MISSOURI GAS ENERGY

Jefferson City (February 22, 2001)---Natural gas customers of Missouri Gas Energy will experience a **decrease** in natural gas rates under an unscheduled winter season filing approved by the Missouri Public Service Commission. The decrease will take effect March 1, 2001. **This filing reflects a reduction in the wholesale cost of natural gas and eliminates approximately 63 percent of the increase under MGE's unscheduled winter filing that went into effect on January 24, 2001.**

A residential customer currently pays \$0.98161 per Ccf (100 cubic feet of gas). Under this filing, the rate will drop to \$0.79337 per Ccf, a decrease of approximately 19 cents per Ccf. A residential customer using 159 Ccf's of natural gas in March can expect to see a decrease of approximately \$30 in March as a result of this filing.

Approximately 75% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. **The wholesale cost of natural gas (the cost your local natural gas company must pay to its supplier for natural gas) is not regulated by the Missouri Public Service Commission. The wellhead cost of natural gas is unregulated and is primarily driven by supply and demand. The Missouri Public Service Commission does have regulatory review authority to ensure that regulated gas companies make prudent decisions in securing natural gas supplies for their customers.**

MGE serves approximately 492,000 natural gas customers in western Missouri.

Consumers are invited to access the Commission's website (www.psc.state.mo.us) for the monthly natural gas report. This report contains natural gas information on issues such as futures prices and United States storage levels.

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